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2 UNITED STATES DISTRICT COURT  
3 FOR THE DISTRICT OF NEVADA

4 IN RE ZAPPOS SECURITY BREACH )  
5 LITIGATION )

MDL No.: 2357

6 Case No. 3:12-CV-00325-RJC-VPC  
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**FINAL APPROVAL ORDER**

11 This matter came before the Court for hearing on December 20, 2019, pursuant to Federal  
12 Rule of Civil Procedure 23 and the Order Granting Preliminary Approval of Class Action  
13 Settlement (ECF No. 335) (“Preliminary Approval Order”). Plaintiffs seek final approval of the  
14 Settlement Agreement and Release (the “Agreement”) (see ECF No. 331-1), an award of  
15 attorneys’ fees and cost reimbursements to Class Counsel and Other Plaintiffs’ Counsel, and  
16 service awards to each of the Plaintiffs. The Notice Program having been administered as called  
17 for under the Settlement and required by the Preliminary Approval Order, and the Court having  
18 considered all papers filed and proceedings held, and good cause appearing therefore, IT IS  
19 HEREBY ORDERED, ADJUDGED AND DECREED that:

20 1. This Order incorporates and approves the Agreement and the Settlement set forth  
21 therein. Any term not defined herein shall have the meaning ascribed to it as set forth in the  
22 Agreement.

23 2. Applying the *Churchill* factors, the Court finds that the Settlement is fair,  
24 reasonable and adequate in all material respects.

25 A. The Plaintiffs do not have a strong case. For members of the class that  
26 experienced fraud, they will have to prove that the fraud was a result of the  
27 Zappos data breach. For members that have not experienced fraud, they will  
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1 have to prove that the data breach placed them in imminent risk of harm nearly  
2 a decade after the incident occurred. These are substantial burdens.

3 B. The Plaintiffs' case is risky, complex, expensive, and likely to proceed for many  
4 months if not years absent a settlement. Since, the merits are not strong in this  
5 case, there is a strong chance for failure. The case raises numerous complex  
6 issues including standing, the value of personal information, and liability for  
7 the negligent handling of such information. The case has not proceeded far into  
8 the discovery phase as it was dismissed under Rule 12, so the case will likely  
9 proceed for years at great expense.

10 C. As this Court has previously noted, the class will experience difficulty in  
11 maintaining its class status, since some class members experienced fraud and  
12 others did not.

13 D. The most troubling aspect of the Settlement is the Settlement amount, which is  
14 only a 10% coupon. However, a value of \$5,031,166 has been redeemed as of  
15 December 12, 2019 showing that the coupons have a value to the class.  
16 Defendant's wide variety of items reinforces this finding.

17 E. There has been over 160,000 pages of discovery produced. Therefore, both  
18 parties have sufficient information to make informed decisions concerning  
19 settlement.

20 F. The case has not proceeded far into the discovery phase. Nonetheless, the  
21 relatively early stage of the proceedings does not weigh heavily against  
22 approval of the settlement, because the case has been ongoing for seven years.

23 G. Counsel in this case has significant complex litigation experience and  
24 recommends approval of the settlement.

25 H. As of December 12, 2019, 292,000 members have redeemed their coupon codes  
26 for over five million dollars in discounts; only fifty-three members have filed  
27 objections and 177 have opted out.

1           3.     Applying the *In re Bluetooth* factors, the Court finds that the Settlement is the  
2 product of good faith, non-collusive, arm's length negotiations.

3                 A. The Settlement award is proportionate to the attorney's fees.

4                 B. The Defendant will not challenge the fee award.

5                 C. Fees not rewarded to class members would not revert back to Defendant.

6           4.     This Court holds that it has jurisdiction over the subject matter of the Actions, all  
7 Parties to the Actions and all Settlement Class Members with respect to the Settlement and this  
8 Order and Judgment.

9           5.     The Court appoints plaintiffs Theresa D. Stevens, Denise Relethford, Emily E.  
10 Braxton, Stephanie Preira (also known as Stephanie Huppert), Robert Ree, Patti Hasner, Dahlia  
11 Habashy (also known as Dahlia Bonzagni), Katharine Vorhoff and Shari Simon as the  
12 representatives of the Settlement Class.

13           6.     The Court appoints Ben Barnow (Barnow and Associates, P.C.), Jeremiah Frei-  
14 Pearson (Finkelstein, Blankinship, Frei-Pearson & Garber, LLP), Mark Godino (Glancy Prongay  
15 & Murray, LLP) and Richard Coffman (The Coffman Law Firm) as Class Counsel.

16           7.     For purposes of the Settlement only, the Court finds that the requirements of  
17 Federal Rule of Civil Procedure 23 are satisfied with respect to the Settlement Class: (a) the  
18 members of the Settlement Class are so numerous that joinder of all of them is impracticable;  
19 (b) there are questions of law and fact common to the Settlement Class that predominate;  
20 (c) Plaintiffs' claims are typical of the claims of the Settlement Class; and (d) Plaintiffs and Class  
21 Counsel have and will fairly and adequately represent the Settlement Class.

22           8.     For purposes of the Settlement only, the Settlement Class is certified as follows:

23                 All natural persons or legal entities who had a Zappos.com account at any time on  
24 or prior to January 15, 2012 and for whom Zappos had an email address for the  
25 account in its records at that time. Excluded from the Settlement Class are: (a)  
26 individuals who are or were during the Class Period officers or directors of Zappos  
27 or any of its subsidiaries or affiliates; (b) any justice, judge, magistrate judge or law  
28 clerk of the Court, the United States Court of Appeals for the Ninth Circuit or the  
United States Supreme Court; and (c) all governmental entities.

1           9.     The Court finds that the Notice Program fully and accurately informed the  
2 Settlement Class of all material elements of the Settlement, and constituted valid, due and  
3 sufficient notice to all individuals in the Settlement Class, and the best notice practicable under  
4 the circumstances, and that the Notice Program satisfied Federal Rule of Civil Procedure 23 and  
5 due process.

6           10.    The Court holds that the individuals identified in Exhibit 1 hereto are excluded from  
7 the Settlement Class because they submitted timely and valid Requests for Exclusion pursuant to  
8 the Notice Program.

9           11.    The Court overrules each of the objections to the Settlement on the merits. Pursuant  
10 to 28 U.S.C. § 1712(e), the Court finds that the actual value delivered to Settlement Class  
11 Members, in the form of actually redeemed Discount Codes, substantially exceeds \$5,000,000,  
12 and accordingly the Settlement is fair, reasonable, and adequate for class members.

13           12.    The Court approves service awards in the amount of \$2,500 to each of the Plaintiffs,  
14 for a sum total of \$22,500, for their service as Class Representatives. Class Counsel and Other  
15 Plaintiffs' Counsel are awarded reimbursement of costs and expenses of 109,533, and are  
16 awarded \$1,487,967 for attorneys' fees. The fee award is substantially less than 30% of the value  
17 actually conferred upon the Settlement Class, and is also substantially less than counsel's lodestar.  
18 The Court finds that such awards are fair and reasonable, and orders that they be paid by Zappos  
19 directly to Class Counsel in accordance with the Agreement and at the time set forth therein.  
20 Class Counsel is thereafter ordered to distribute amounts due to Plaintiffs and to Other Plaintiffs'  
21 Counsel; Zappos is not responsible for such further distribution and Zappos discharges its  
22 financial responsibilities by making payment to Class Counsel.

23           13.    The Court orders the Parties to the Agreement and the Settlement Administrator to  
24 continue to perform their obligations thereunder pursuant to the terms of the Agreement.

25           14.    The Court orders that judgment be entered forthwith on the terms of the Settlement  
26 as set forth in this Order, and dismisses the MDL and the Actions, including all claims and causes  
27 of action asserted in the Actions, the MDL, the TAC or any other pleading or other document  
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1 filed in the Actions, on the merits and with prejudice, as to the Class Representatives and all  
2 Settlement Class Members. This dismissal is without costs or fees to any Party except as  
3 specifically provided in the Agreement and this Order.

4 15. The Court adjudges that the Class Representatives and all Settlement Class  
5 Members (except for these identified on Exhibit 1 hereto) are conclusively deemed to have  
6 forever, fully and finally released and discharged the Released Parties from any and all Released  
7 Claims, as those terms are defined in the Agreement.

8 16. Without affecting the finality of this Order or the judgment to be entered thereon,  
9 the Court retains jurisdiction over: (a) implementation and enforcement of the Settlement  
10 pursuant to further orders of the Court, until such time as the final judgment contemplated hereby  
11 has become effective and each and every act agreed to be performed by the Parties hereto shall  
12 have been performed pursuant to the Agreement, including all payments set forth thereunder; (b)  
13 any other action necessary to conclude this Settlement and implement the Agreement; and (c) the  
14 modification, enforcement, effecutation, construction and interpretation of the Agreement  
15 including, without limitation, any dispute concerning Settlement Class Members' release of  
16 Released Claims, and the Settlement.

17 17. Except for the individuals identified on Exhibit 1 hereto, Plaintiffs and each and  
18 every Settlement Class Member, and any person acting on behalf of Plaintiffs or any Settlement  
19 Class Member, are hereby permanently barred and enjoined from commencing, instituting,  
20 continuing, pursuing, maintaining, prosecuting or enforcing any Released Claims (including,  
21 without limitation, in any individual, class or putative class, representative or other action or  
22 proceeding), directly or indirectly, in any judicial, administrative, arbitral or other forum, against  
23 the Released Parties. This permanent bar and injunction is necessary to protect and effectuate the  
24 Settlement, this Order and this Court's authority to effectuate the Settlement, and is ordered in  
25 aid of this Court's jurisdiction and to protect its judgments pursuant to the All Writs Act, 28  
26 U.S.C. § 1651, or any other applicable law. In the event that any provision of the Agreement or  
27 this Order or the judgment to be entered thereon is asserted by Zappos as a defense in whole or  
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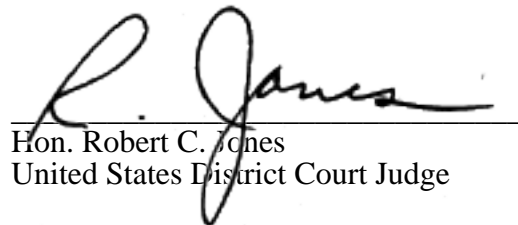
1 in part to any claim, or otherwise asserted (including, without limitation, as a basis for a stay) in  
2 any other suit, action or proceeding brought by a Settlement Class Member or any person acting  
3 on behalf of any Settlement Class Member, that suit, action or other proceeding shall be  
4 immediately stayed and enjoined until this Court or the court or tribunal in which the claim is  
5 pending has determined any issues related to such defense or assertion. By incorporating the  
6 Agreement, including the Exhibits attached thereto, and its terms therein, the Court determines  
7 that this Order complies in all respects with Federal Rule of Civil Procedure 65(d)(1).

8 18. The Agreement, including the Exhibits attached thereto, and any and all  
9 negotiations, documents and discussions associated with it will not be deemed or construed to be  
10 an admission or evidence of any violation of any statute, law, rule, regulation or principle of  
11 common law or equity, or of any liability or wrongdoing by any Released Party, or the truth of  
12 any of the claims. Evidence relating to the Settlement will not be discoverable or used, directly  
13 or indirectly, in any way, whether in the Actions or in any other action or proceeding, except for  
14 purposes of demonstrating, describing, implementing or enforcing the terms and conditions of  
15 the Settlement, the Preliminary Approval Order and/or this Order or the judgment to be entered  
16 thereon.

17 19. The Clerk shall enter judgment forthwith as set forth herein and close the case.

18  
19 IT IS SO ORDERED.

20 Dated: December 23, 2019.

  
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Hon. Robert C. Jones  
United States District Court Judge

# Exhibit 1

*In re Zappos Security Breach Litigation*

## Exclusion Requests

Eric Abarabar  
Marcella Abarabar  
Rachel Rice Ackman  
Nicholas Ade  
Betty Aguilar  
Yulia Arlandiz  
Sergio Arlandiz  
Maria Jose Ayerbe  
Ed Ayres  
Patricio Barbosa  
Robert Barton  
Linda Beckwith  
Lisa Bernier  
Star Bertone  
David Bing  
Kristi Bochniak  
Jeff Bradley  
Amory Brandt  
Yovonda Brooks  
Michael Buchino  
Amy Burns  
Liz Caporaso  
Vincent Cardenas  
Mandie Carlson  
Graham Cavanagh  
Jerilyn Champness  
Cate Chang  
Joy Chen  
Jeanie Clemons  
Linda M Clifford  
Julia Conroy  
Barbara Conway  
Alan Crawley  
Lauren Daniels  
Maggie Dean  
Cindy DeSilva  
Alexandra Dew

1 W Dombrowski  
Eric Elbogen  
2 Aurora Endres-Bercher  
Obianuju Enendu  
3 Rachel Erickson  
Alexander Clarence Esche  
4 Wanda F. Ezozo  
5 Thomas Farrington  
Sandra Ferrari  
6 Michael Fish  
Molly Fitzgerald  
7 Diane Friling  
8 Carol Gaim  
Frank Garcia  
9 Brian Gebhardt  
10 Janet George  
PM Golden  
11 Kirk Guest  
12 Scott Gundrum  
Jeff Halevy  
13 ConstanDivine(CD) Harris  
Ann Harrison  
14 Bruce Hart  
15 Luke Hazelwood  
Miranda Hirner  
16 Stephen Huebner  
17 Kimberly Irving  
Steven Irwin  
18 Darwin Joy  
19 Terese Juliano  
Jason Karman  
20 Alicia Kelly  
Oh-Yoon Kim  
21 Hanna Kim  
22 A King  
Shelley Kinser  
23 Suzanne Kley  
24 Mark Knapp  
Barry Kohler  
25 Katie Kotiza  
Jeff Krans  
26 Leo Kranz  
27 Annie Labruzzo  
Vincent Laforet  
28



1 Danielle Lahmani  
Jordon Lakoduk  
2 Dana Lear  
Linda Lee  
3 Michael Lees  
Rufino de Leon  
4 Jesse Lindmar  
5 Diana Little  
Irene Lucado  
6 Maryellen Luizer  
7 May Ly  
James Malmborg  
8 Jerome Massy  
Linda Mathews  
9 Karen O Mccracken  
10 Gregory Meena  
Margaret Messina  
11 Marcy Milks  
LuAnn Miller  
12 Andrea Mitchell  
13 James Monroe  
Matt Mower  
14 Meghan Mulgrew  
15 Alicia Nashel-Watts  
Jeffrey Noel-Nosbaum  
16 Eng Ong  
17 Genji Onishi  
Nicole Osilaja  
18 Derek Owens  
Darren Page  
19 Greg Pansa  
20 Patricia Pedersen  
Matthew Pelz  
21 Andrew Perrong  
22 Susan Pinti  
Joshua Pitkoff  
23 David Rabiger  
Eddie Rangel  
24 Chad Redmond  
25 Ivette Redmond  
Alex Robb  
26 Hilary Robbeloth  
27 Adam Roberts  
Heather Robinson  
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1 Monica Robinson  
Sarah Rodwell  
2 Joshua Rodwell  
Susan Rossbach  
3 David Rousseau  
Cynthia Roy  
4 Babak Samii  
5 Nathaniel Sandy  
Mary Semenza  
6 Li Shao  
7 Daniel Shockley  
Barbara Shreve  
8 Chris Silva  
9 Justin Skiff  
Debbie Sora  
10 Padelia Spartali  
Camille Van Steenwyk  
11 Bartholomew Sullivan  
12 Nicole Svigilsky  
Marilyn Sydow  
13 Linda Taing  
14 Nick Tarasen  
Mooshe Taylor  
15 Alan Taylor  
Lou Ann Thom  
16 Amy Thompson  
17 Lloyd Thompson  
Prudence M. Thorner  
18 M Todd  
19 Mary Tremain  
Linda Trimbath  
20 Ramina Trust  
Rachel E. Vanada  
21 Tereza Vejvodova  
22 Andrew J. Villanueva  
Marilyn Volpe  
23 Jeremy Wadsack  
24 Lisa Walter  
Matt Warner  
25 Julia Warner  
Janis McGee Washington  
26 Cheryl Weller  
27 Danielle Whitehouse  
Elizabeth D. Whitman  
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1 Amber Willard  
2 Patrice Winters  
3 Brian Witt  
4 Stephen Wood  
5 Lauren Wool  
6 Linda Wurtz  
7 Robert Yates  
8 Warren Yokom

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